

JANUARY 2008

PPIC STATEWIDE SURVEY

CALIFORNIA

Californians & their government

in collaboration with
The James Irvine Foundation

Mark Baldassare
Dean Bonner
Jennifer Paluch
Sonja Petek



PPIC

PUBLIC POLICY
INSTITUTE OF CALIFORNIA

The Public Policy Institute of California is dedicated to informing and improving public policy in California through independent, objective, nonpartisan research on major economic, social, and political issues. The institute's goal is to raise public awareness and to give elected representatives and other decisionmakers a more informed basis for developing policies and programs.

The institute's research focuses on the underlying forces shaping California's future, cutting across a wide range of public policy concerns, including economic development, education, environment and resources, governance, population, public finance, and social and health policy.

PPIC is a private, nonprofit organization. It does not take or support positions on any ballot measures or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office. PPIC was established in 1994 with an endowment from William R. Hewlett.

Mark Baldassare is President and Chief Executive Officer of PPIC.
Thomas C. Sutton is Chair of the Board of Directors.

PUBLIC POLICY INSTITUTE OF CALIFORNIA

500 Washington Street, Suite 600
San Francisco, California 94111
phone: 415.291.4400
fax: 415.291.4401

PPIC SACRAMENTO CENTER

Senator Office Building
1121 L Street, Suite 801
Sacramento, California 95814
phone: 916.440.1120
fax: 916.440.1121

www.ppic.org
survey@ppic.org

TABLE OF CONTENTS

About the Survey	1
Press Release	3
February 5th Primary	7
State Fiscal Issues	13
Regional Map	24
Methodology	25
Questionnaire and Results	27

ABOUT THE SURVEY

The PPIC Statewide Survey provides policymakers, the media, and the general public with objective, advocacy-free information on the perceptions, opinions, and public policy preferences of California residents. Inaugurated in April 1998, this is the 83rd PPIC Statewide Survey in a series that has generated a database that includes the responses of more than 176,000 Californians. This survey is the 27th in the *Californians and Their Government* series, which is conducted periodically to examine the social, economic, and political trends that influence public policy preferences and ballot choices. It is supported with funding from The James Irvine Foundation.

The current survey seeks to raise public awareness, inform decisionmakers, and stimulate public discussion about the February 5th primary election and about state fiscal issues. In particular, we examine Californians' attitudes and preferences in the 2008 presidential primaries and their support for Proposition 93. We also examine their attitudes on state fiscal and budget issues, including preferences for spending cuts and ways to raise revenue, their opinions on the overall direction of the state and its economy, and their perceptions of elected state officials.

This report presents the responses of 2,000 California adult residents on these specific topics:

- The February 5th presidential primary, including candidate preferences in the Democratic and Republican races, satisfaction with candidate choices, attention to election news, perceived national importance of California's primary election, and support for Proposition 93 and its legislative term-limits provisions. We also examine how Californians perceive the move of the presidential primary from June to February.
- State fiscal issues, including perceptions of the seriousness of the state's budget situation, preferred methods for dealing with the state's multi-billion dollar budget gap, impressions of the governor's State of the State speech and attitudes about his declaration of a fiscal emergency, satisfaction with the governor's budget proposal and concern about spending cuts, willingness to pay higher taxes to maintain funding for major state programs, support for various tax proposals and structural reforms to raise state revenues, and support for a proposal to expand health care coverage by raising fees and taxes. We also examine perceptions of the most important issue for the governor and legislature in 2008, opinions about the general direction of the state and the outlook for the state's economy in the next 12 months, approval ratings for Governor Schwarzenegger and the state legislature—both overall and on their handling of the state budget and taxes—and attitudes about whether the governor and legislature will be able to work together and accomplish a lot in the coming year.
- The extent to which Californians—based on their political party affiliation, region of residence, race/ethnicity, and other demographics—may differ with regard to perceptions, attitudes, and preferences involving state and national issues.

Copies of this report may be ordered online (www.ppic.org) or by phone (415-291-4400). For questions about the survey, please contact survey@ppic.org. View our searchable PPIC Statewide Survey database online at <http://www.ppic.org/main/survAdvancedSearch.asp>.

PRESS RELEASE

Para ver este comunicado de prensa en español, por favor visite nuestra página de internet:
<http://www.ppic.org/main/pressreleaseindex.asp>

PPIC STATEWIDE SURVEY: CALIFORNIANS AND THEIR GOVERNMENT **California Screaming: Economic Angst Hits Record High**

AMID STATE BUDGET CRISIS, RESIDENTS PIN HOPES ON “POST-PARTISANSHIP”;
MCCAIN SURGES, GIULIANI SINKS IN REPUBLICAN PRESIDENTIAL PRIMARY

SAN FRANCISCO, California, January 24, 2008 — Seeing dark clouds on the horizon, Californians are registering a record level of concern about the state’s fiscal health in the coming year, according to a survey released today by the Public Policy Institute of California (PPIC) with funding from The James Irvine Foundation. But despite the gloom and doom of their bleak economic outlook and the state budget crisis, state residents still have some hope for progress on the issues they care about.

Most Californians (72%) expect bad economic times in the coming year—a 7 point increase since December (65%) and a 33 point increase since last January (39%). Pessimism about the state’s economy is now at its highest point since the PPIC statewide survey was launched a decade ago—up a notch from its previous high in February 2003 (71% bad times). Adding to their worries, nearly all Californians (94%) view the state’s budget situation as a big problem (64%) or somewhat of a problem (30%). These growing financial and fiscal anxieties only deepen broader concerns about the future: Half of Californians (54%) today believe the state is generally headed in the wrong direction—a 17 point jump since last January (37%).

With the national economy slumping and the state facing a multibillion dollar shortfall in revenues, more Californians are saying that the economy (19%), state budget (15%), education (15%), and immigration (14%) should be the priorities for Governor Arnold Schwarzenegger and the state legislature in 2008. A year ago, the economy (7%) and state budget (5%) barely registered on residents’ to-do list for state leaders.

Do they think their leaders are up to the challenge? Despite a predictable slide in approval ratings for the governor and legislature, state residents are surprisingly hopeful. Governor Schwarzenegger’s ratings have dropped from 57 percent to 50 percent since December, and the state legislature’s ratings have dropped from 41 percent to 34 percent. Solid majorities of state residents also disapprove of how the governor (55%) and state legislature (64%) are handling the state budget and taxes. And yet, half of Californians (50%) believe the governor and legislature will be able to work together and accomplish a lot in the next year.

“There isn’t a blame-game at this point, in contrast to what happened during the state’s last economic meltdown, which led to the recall of Governor Gray Davis,” says PPIC president and CEO Mark Baldassare. “The post-partisanship that state residents have come to expect from Governor Schwarzenegger and the state legislature will be put to the test this year. Californians are waiting to see whether or not Democrats and Republicans can rise to the occasion before they start pointing fingers.”

MIXED REVIEWS FOR GOVERNOR’S BUDGET PROPOSALS

Despite their hopes for action, Californians have mixed feelings about the governor’s efforts to get a handle on the budget situation. Schwarzenegger’s State of the State address—in which he proposed reforming the budgeting process and called for across-the-board spending cuts—had little traction with

California residents (30% favorable impression, 33% unfavorable). And a majority of adults and likely voters (56% each) are dissatisfied with his subsequent budget proposal, which would cut spending in key programs and would not raise taxes.

Why the negativity? Nearly eight in 10 adults (78%) are at least somewhat concerned about the effects of spending reductions in the governor's proposal, with 36 percent saying they are very concerned. Specifically, 62 percent oppose the governor's plan to suspend minimum spending requirements for K-12 public education. Residents are divided about his plan for the early release of 22,000 nonviolent prisoners as a way of reducing state spending on prisons and corrections (49% favor, 45% oppose) and about whether tax increases should have been included in the governor's budget (50% no, 46% yes).

Still, several of the governor's actions and proposals get a decidedly warmer reception. A majority of adults (64%) agree with the governor's declaration of a fiscal emergency. Two in three Californians (67%) support his call for about \$40 billion in new state bonds for water and education facilities, high-speed rail, and other infrastructure projects. And interestingly, a majority of state adults (64%) say they support the governor's proposed constitutional amendment to stabilize the budget. In supporting an amendment that would place limits on state spending, require that money be socked away when revenues are high, and allow for budget adjustments at several points throughout the fiscal year, Californians appear ready to take a fresh look at an idea that voters have rejected in the recent past.

BUDGET CUTS VS. TAX INCREASES: CAN THERE BE COMPROMISE?

Californians today also appear slightly more willing than in the past to consider tax increases as part of a solution to the budget crisis. When asked how they would most prefer to deal with the state's budget gap, 41 percent of Californians prefer a mix of spending cuts and tax increases, up from 36 percent in December. Still, the potential for a partisan fight is great: A majority of Democrats (52%) want to deal with the budget gap through a mix of cuts and taxes while most Republicans (56%) prefer spending cuts. And there is little consensus about who should make the tough choices involved in the state budget: 37 percent of Californians favor the Democrats in the legislature, 24 percent prefer the governor's approach, and 18 percent favor legislative Republicans.

With cuts looming, do Californians agree about what programs they most want to protect from the budget axe? A majority (57%) say K-12 education, while fewer say health and human services (19%), higher education (14%), or prisons and corrections (6%). Would they be willing to pay higher taxes to maintain current funding for any of these programs? Again, there is some common ground: Majorities of state residents say they would pay higher taxes to maintain funding for K-12 education (67%) and health and human services (56%), but are divided over paying higher taxes to support higher education (50% yes, 48% no).

What fees or tax increases might state residents support as a way to reduce the state's budget gap? As usual, they prefer options that won't affect their own pocketbooks. Majorities of Californians are receptive to the idea of raising the top rate of the state income tax paid by the wealthiest state residents (73%). However, they are opposed to increasing the annual vehicle license fee (58%) or raising the state portion of the sales tax (64%).

STRUCTURAL REFORMS: HAS THEIR TIME COME?

As California struggles with yet another budget crisis, many leaders and observers are calling for long-term structural reforms to address the boom and bust nature of the state's fiscal condition. Where do Californians stand on these proposals?

- Spending limits: 67 percent of Californians think it is a good idea to strictly limit annual increases in state spending. Although residents consistently support this idea in concept, in 2005 they rejected Proposition 76, which would have placed limits on spending increases.

- Taxing services: 62 percent of state residents oppose extending the state sales tax to services such as legal and accounting assistance, auto repairs, and haircuts. Public attitudes toward this proposal have been consistently negative over time (63% in May 2005, 65% in May 2007).
- Taxing Internet sales: 56 percent of California adults support taxing all goods sold over the Internet, as did 57 percent in June 2003.
- Leasing the lottery: 58 percent of residents say it is a bad idea to lease the California State Lottery to a private company as a way to address structural issues in the state budget.

SUPPORT FOR PROPOSITION 93 DROPS, ESPECIALLY AMONG REPUBLICANS

In the context of a budget crisis and state leaders' sagging approval ratings, voters appear less inclined to consider reforms to legislative term limits. Proposition 93—the "Limits on Legislators' Terms in Office Initiative Constitutional Amendment"—is a term limits reform measure on the February statewide ballot. When read the official title and label for this initiative, California's likely voters are divided (42% yes, 42% no), and support for this measure has fallen since December 2007 (from 47% to 42%). This downward trend is driven by declining support among Republicans (from 55% to 39%) and independents (from 52% to 44%), with only a modest increase in support among Democrats (from 43% to 47%).

Despite the drop in support for Proposition 93, there is still enthusiasm for two of the measure's three key provisions. Majorities of likely voters like the idea of reducing the total amount of legislative service from 14 to 12 years (65%) and allowing that service to take place in the assembly, senate, or a combination of both (57%). Likely voters remain less approving about providing a transition period to allow current legislators to serve 12 years in their current house, regardless of prior service in another house (38% good idea, 50% bad idea). These responses have changed little since December.

"Voters are open to changing term limits in small ways, but reforming the system is not a top priority right now," says Baldassare. Indeed, 56 percent of likely voters—including majorities of voters who support (56%) and oppose (60%) Proposition 93—say the state's current system of term limits gives state legislators the right amount of time in office.

CLINTON, MCCAIN HOLD DOUBLE-DIGIT LEADS IN PRESIDENTIAL PRIMARY

The rollercoaster ride for the Democratic and Republican presidential nominations has apparently convinced California voters that they can make a big difference in the national outcome. A majority of likely voters (57%) now say it was a good idea to move California's presidential primary from June to February, up from 45 percent who held this view a month ago. Nearly nine in 10 voters (88%) say the California primary is playing a very important (50%) or somewhat important (38%) role in selecting the presidential candidates for the November 2008 election.

Where do voters stand today? Among Democratic primary likely voters (Democrats as well as independents who say they will vote the Democratic primary ballot), Senator Hillary Clinton (43%) continues to lead the field, followed by Senator Barack Obama (28%) and former Senator John Edwards (11%). While there has been little change since December in support for Clinton (from 44% to 43%), Obama has made a steep 8 point gain (from 20% to 28%). As a result, Clinton's 24 point lead has shrunk to 15 points.

Among Republican contenders, Senator John McCain (29%) has burst into the lead and enjoys a 12 point advantage over his closest rival, former Massachusetts Governor Mitt Romney (17%). Former New York City Mayor Rudy Giuliani and former Arkansas Governor Mike Huckabee are locked in a tie for third place (10% each). The big story in the Republican race? Since December, support for McCain has spiked by 18 points while support for former frontrunner Giuliani has plummeted by 14 points.

Overall, far more Democratic likely voters (77%) than Republican likely voters (52%) are satisfied with their choice of presidential candidates. Nonetheless, voters of all stripes are tuning in: Most voters (88%) say they are very closely (44%) or fairly closely (44%) following news about the candidates.

MORE KEY FINDINGS

■ **Cut the fat, keep state services** – Page 19

A strong majority of Californians (70%) say state government could spend less and still provide the same level of services. And 41 percent of residents holding this view believe government could cut spending by 10 to 20 percent without reducing services.

■ **What budget crisis? Californians still want health care reform** – Page 23

A majority of Californians (60%) and likely voters (53%) say they would support a plan requiring all Californians to have health insurance, with costs shared by employers, hospitals, individuals, and government through a variety of fees and a cigarette tax. The proposal has passed the state assembly and may land on the November 2008 ballot.

ABOUT THE SURVEY

This edition of the PPIC Statewide Survey is part of the *Californians and Their Government* series and is supported by funding from The James Irvine Foundation. The survey is intended to raise public awareness, inform decisionmakers, and stimulate public discussions about the social, economic, and political trends that influence Californians' public policy preferences and ballot choices. Findings are based on a telephone survey of 2,000 California adult residents interviewed between January 13 and January 20, 2008. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/- 2% and for the 1,099 likely voters is +/- 3%. The sampling error for the 543 Democratic presidential primary likely voters is +/- 4% and for the 348 Republican presidential primary likely voters is +/- 5%. For more information on methodology, see page 25.

Mark Baldassare is president and CEO of PPIC, where he holds the Arjay and Frances Fearing Miller Chair in Public Policy. He is founder of the PPIC Statewide Survey, which he has directed since 1998.

PPIC is a private, nonprofit organization dedicated to informing and improving public policy in California through independent, objective, nonpartisan research on major economic, social, and political issues. The institute was established in 1994 with an endowment from William R. Hewlett. PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

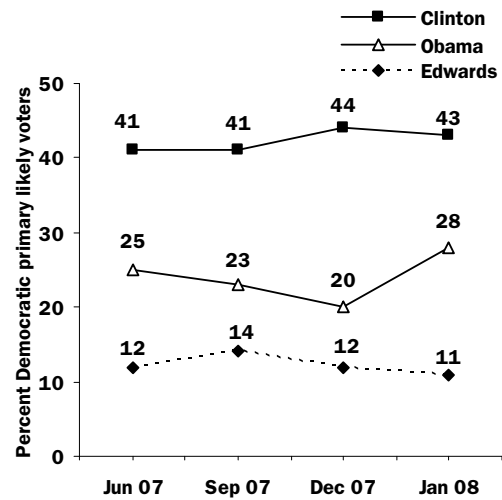
This report will appear on PPIC's website (www.ppic.org) after 10 p.m. on January 24.

FEBRUARY 5TH PRIMARY

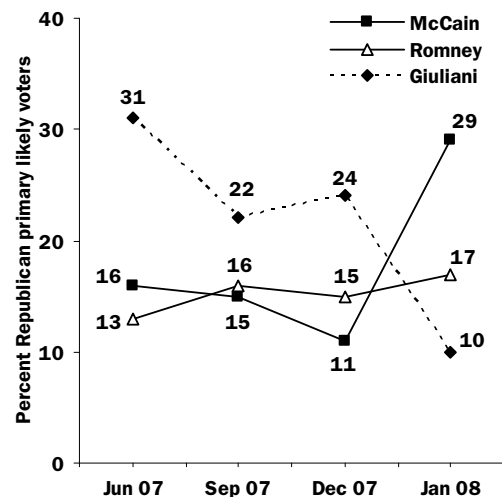
KEY FINDINGS

- Nearly nine in 10 likely voters believe that California will play an important role in selecting the presidential candidates, and two in three are satisfied with their choice of candidates in the primary. (pages 8, 9)
- Hillary Clinton continues to lead in the Democratic primary, although by a narrower margin than in December. In the Republican primary, John McCain has moved to the front, and support for Rudy Giuliani has declined. (pages 8, 9)
- California likely voters are divided on Proposition 93 (42% to 42%), a legislative term limits reform initiative, and many are undecided. Voter support is below 50 percent across party groups. (page 10)
- Of the three components of Proposition 93, voters are most supportive of the proposal to reduce legislators' time in office and most opposed to the idea of a transition period for current members. (page 11)
- When asked if current term limits give legislators too much, too little, or the right amount of time in office, 56 percent of voters, and a majority of voters across parties, say the right amount of time. (page 11)
- Fifty-seven percent of likely voters, and majorities across parties, say it was a good idea for the governor and legislature to move the 2008 presidential primary from June to February. (page 12)
- Interest in the February 5th primary is high, with nearly nine in 10 likely voters saying they are very (44%) or fairly (44%) closely following news about the candidates in the upcoming presidential election. (page 12)

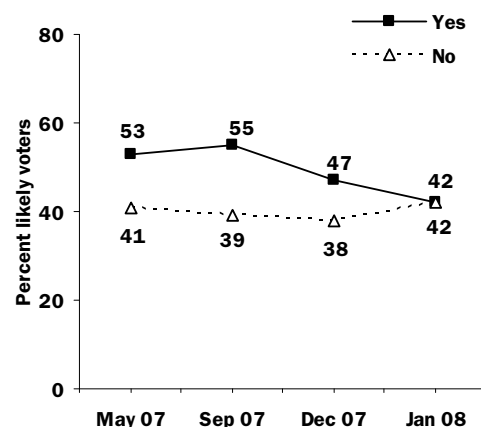
Democratic Presidential Primary Race



Republican Presidential Primary Race



Proposition 93 - Term Limits Reform



Title and summary read in May and Sep. 2007

Title and ballot label read in Dec. 2007 and Jan. 2008

2008 PRESIDENTIAL PRIMARY ELECTION

With the February 5th presidential primary fast approaching, how do Californians feel about their role in selecting the next president? Nearly nine in 10 likely voters say the California primary will play a very important (50%) or somewhat important (38%) role in selecting the presidential candidates for the November 2008 election. Across parties, a majority of Democratic voters (55%) think California will play a very important role, compared to 44 percent of Republicans and 44 percent of independents. Women (52%) are more likely than men (47%), and Latinos (61%) are much more likely than whites (46%), to think the California primary will play a very important role in selecting the 2008 presidential candidates. However, majorities across all demographic groups say that California will play at least a somewhat important role.

“How important a role do you think the California primary is playing in selecting the presidential candidates for the 2008 election?”

<i>Likely voters only</i>	All Likely Voters	Party			Gender	
		Dem	Rep	Ind	Men	Women
Very important	50	55	44	44	47	52
Somewhat important	38	36	41	44	36	40
Not too important	8	6	10	6	10	5
Not at all important	3	2	2	4	4	1
Don't know	1	1	3	2	3	2

Among likely voters in the Democratic primary—which includes registered Democrats and independent (“decline-to-state”) voters who say they will vote in the Democratic primary—Senator Hillary Clinton still leads Senator Barack Obama (43% to 28%). However, her 24-point lead in December has now shrunk to 15 points. Former Senator John Edwards remains in third place at 11 percent. Seven percent say they would vote for another candidate, and 11 percent are still undecided. Clinton holds the lead in the Democratic primary among both liberals (41%) and those who do not consider themselves to be liberals (45%) and among both women (48%) and men (35%). Women outnumber men among California’s Democratic voters, and thus women’s preferences play an important role in this primary race. Among Latinos, Clinton holds a three-to-one edge over Obama (60% to 21%). Among independents who are planning to vote the Democratic ballot, Clinton and Obama are tied (32% to 32%).

Support for Clinton and Edwards has remained about the same over the course of our four surveys since June 2007, while support for Obama has risen sharply since our last survey (December). Preferences among California’s Democratic likely voters are similar to Democrats nationwide, according to a recent CNN/Opinion Research poll (42% Clinton, 33% Obama, 17% Edwards).

“If the Democratic primary for president were being held today, and these were the candidates, who would you vote for?”

<i>Democratic primary likely voters only</i>	All Likely Voters	Ideology		Gender	
		Liberal	Other	Men	Women
Hillary Clinton	43	41	45	35	48
Barack Obama	28	27	28	30	26
John Edwards	11	12	11	15	8
Dennis Kucinich	5	8	1	6	4
Someone else	2	1	2	3	1
Don't know	11	11	13	11	13

2008 PRESIDENTIAL PRIMARY ELECTION (CONTINUED)

Among likely voters in the Republican primary—which includes only registered Republicans, since independents are not allowed to vote in this primary—Senator John McCain (29%) has leapt to the front, holding a 12-point lead over former Massachusetts Governor Mitt Romney (17%). The other major candidates—former New York City Mayor Rudy Giuliani and former Arkansas Governor Mike Huckabee—are tied at 10 percent, while 10 percent of likely voters say they would vote for someone else, and 14 percent are undecided.

Since December, McCain has gained 18 points among Republican primary likely voters (11% to 29%), while preference for Romney has remained about the same (15% to 17%) and Giuliani's support has dropped by 14 points (24% to 10%). McCain is currently the favored candidate among both women (31%) and men (28%). While McCain (22%) and Romney (19%) are about equally preferred among conservative Republicans, nonconservative likely voters in the upcoming primary prefer McCain over Romney by a wide margin (42% to 14%). Among those who are self-identifying evangelical Christians, 23 percent prefer McCain, 17 percent Huckabee, and 15 percent Romney.

The frontrunner status of McCain among California Republicans is similar to his position among Republicans nationwide, according to the CNN/Opinion Research poll (29% McCain, 20% Huckabee, 19% Romney, 14% Giuliani).

"If the Republican primary for president were being held today, and these were the candidates, who would you vote for?"

Republican primary likely voters only	All Likely Voters	Ideology		Gender	
		Conservative	Other	Men	Women
John McCain	29	22	42	28	31
Mitt Romney	17	19	14	18	17
Rudy Giuliani	10	10	11	13	8
Mike Huckabee	10	12	6	9	11
Fred Thompson*	10	13	4	9	10
Ron Paul	5	6	4	6	4
Duncan Hunter*	2	3	1	2	2
Someone else	3	2	4	2	4
Don't know	14	13	14	13	13

* Thompson and Hunter recently ended their presidential bids.

Today, 64 percent of likely voters say they are satisfied with their choice of candidates in the presidential primary, a slight increase in satisfaction since December (61%) and September (62%). Across political parties and ideologies, Democrats (77%) and liberals (77%) are more likely to express satisfaction than Republicans (52%) and conservatives (59%), although majorities across all groups say they are satisfied.

"In general, would you say you are satisfied or not satisfied with your choices of candidates in the presidential primary?"

Likely voters only	All Likely Voters	Party		Ideology		Gender	
		Dem	Rep	Liberal	Conservative	Men	Women
Satisfied	64	77	52	77	59	61	68
Not satisfied	31	20	42	21	35	35	28
Don't know	5	3	6	2	6	4	4

PROPOSITION 93—LEGISLATIVE TERM LIMITS

Californians will be asked on the February ballot to vote on Proposition 93, an initiative to amend the state’s constitution. The measure would reduce the amount of time a state legislator can serve in office from 14 to 12 years—but allow those 12 years to be served in either house or a combination of both houses. It would also allow current legislators to serve 12 years in their current house, regardless of prior service in another house. Using the Secretary of State’s official title and ballot language that voters will see on the February ballot, we found that California’s likely voters are divided on Proposition 93 (42% yes, 42% no), while 16 percent are still undecided. Support for this proposition has declined since December (47% yes, 38% no).

Democratic voters are more likely to support than oppose this proposition, while Republicans are more likely to oppose than support it. Independents are divided (44% yes, 43% no). Across regions, likely voters in Los Angeles (46%) and the San Francisco Bay Area (44%) are the most likely to say they would vote yes on Proposition 93, while likely voters in the Central Valley and Other Southern California region are the most likely to say they would vote no (45% each).

Since December, Proposition 93 support has declined the most among Republicans (55% to 39%), followed by independents (52% to 44%), while support has increased somewhat among Democratic voters (43% to 47%). While support is similar today among men and women (42% each) and Latinos (44%) and whites (41%), support for Proposition 93 increases as household income increases.

“If the election were held today would you vote yes or no on Proposition 93?”*

<i>Likely voters only</i>		Yes	No	Don't know
All Likely Voters		42	42	16
Party	Democrat	47	36	17
	Republican	39	45	16
	Independent	44	43	13
Region	Central Valley	41	45	14
	San Francisco Bay Area	44	40	16
	Los Angeles	46	38	16
	Other Southern California	40	45	15
Gender	Men	42	46	12
	Women	42	37	21
Race/Ethnicity	Latino	44	46	10
	White	41	42	17
Age	18 to 34	40	44	16
	35 to 54	45	39	16
	55 and older	40	44	16
Education	High school or less	41	44	15
	Some college	34	48	18
	College graduate	47	37	16
Income	Under \$40,000	35	50	15
	\$40,000 to \$79,999	43	40	17
	\$80,000 or more	45	39	16

* For complete text of proposition question, see p. 29.

PROPOSITION 93—TERM LIMITS (CONTINUED)

To further understand and track voters' views on three provisions of Proposition 93, we repeated three questions from the December survey. A strong majority of likely voters (65%) think that reducing the total years a legislator may serve from 14 to 12 years is a good idea, and a majority of likely voters (57%) think it is a good idea to allow legislators to serve 12 years either in the assembly, senate, or a combination of both. However, 50 percent of likely voters think providing a transition period for current members to serve 12 years in their current house, regardless of prior service in another house, is a bad idea. Responses to each of these questions about Proposition 93 have changed little since December.

Strong majorities across party lines say reducing total service from 14 to 12 years is a good idea, while slimmer majorities say that allowing members to serve their 12 years in one house or a combination of both is a good idea. Allowing for a transition period is much less favorably received, with Republicans the most likely to say this is a bad idea (63% Republicans, 49% independents, 42% Democrats).

Majorities of yes and no voters on Proposition 93 agree that reducing legislative service from 14 to 12 years is a good idea (80% to 56%), but they vary sharply in the percentages saying that allowing 12 years in one or both houses is a good idea (78% to 40%) and providing a transition period is a good idea (57% to 23%).

“The proposed ‘Limits on Legislators’ Terms in Office Initiative Constitutional Amendment’ would alter current term limits in a number of ways. For each of the following, please tell me if you think this provision is a good idea or a bad idea.”

<i>Likely voters only</i>		All Likely Voters	Party		
			Dem	Rep	Ind
How about reducing the total amount of time a person may serve in the state legislature from 14 years to 12 years?	Good idea	65	61	72	63
	Bad idea	25	28	21	28
	Don't know	10	11	7	9
How about allowing a person to serve a total of 12 years either in the assembly, the senate, or a combination of both?	Good idea	57	58	55	56
	Bad idea	34	32	37	34
	Don't know	9	10	8	10
How about providing a transition period to allow current members to serve a total of 12 consecutive years in the house in which they are currently serving, regardless of any prior service in another house?	Good idea	38	46	26	39
	Bad idea	50	42	63	49
	Don't know	12	12	11	12

How do voters feel about the current term limits situation? When the limits are described, 56 percent of likely voters say the current term limits give legislators the right amount of time in office, 21 percent say they offer too little time, and 17 percent say they allow too much time. At least half of likely voters across political, regional, and demographic groups say the current term limits provide the right amount of time in office. Majorities of both yes and no voters on Proposition 93 say that current term limits provide the right amount of time (56% to 60%).

“Do you think the current term limits give state legislators too little, too much, or the right amount of time in office?”

<i>Likely voters only</i>	All Likely Voters	Party			Voters on Proposition 93	
		Dem	Rep	Ind	Yes	No
Too little	21	27	14	23	25	18
Too much	17	13	23	13	17	18
Right amount	56	53	58	57	56	60
Don't know	6	7	5	7	2	4

FEBRUARY 5TH PRIMARY ELECTION

To provide the state with a more prominent role in selecting presidential candidates, California officials moved the state's presidential primary up from June to February this year. In our December survey, fewer than half of the state's likely voters thought this was a good idea (45% good idea, 31% bad idea, 24% undecided). However, with the primary quickly approaching, and in light of the early results of the primaries in other states, likely voters are now more inclined to say moving the primary up was a good idea (57% good idea, 24% bad idea, 19% undecided). Democratic voters (62%) are more likely than independents (59%) or Republicans (55%) to say moving up the date was a good idea, but majorities across all age, gender, racial/ethnic, and regional groups believe it was a good idea.

“Earlier this year the governor and legislature decided to move the 2008 presidential primary from June to February. Do you think this move was a good idea or a bad idea?”

<i>Likely voters only</i>	All Likely Voters	Party		
		Dem	Rep	Ind
Good idea	57	62	55	59
Bad idea	24	21	27	20
Don't know	19	17	18	21

In line with the nearly nine in 10 likely voters who say that the California primary is playing a very important (50%) or somewhat important (38%) role in selecting the presidential candidates, most of California's likely voters are paying close attention to the news about the candidates. Nine in 10 say they are very closely (44%), or fairly closely (44%) following the news about the candidates for the 2008 presidential election, and attention is running high across all political groups. Our surveys show that the percentage of likely voters who say they are very closely (44%) following news about the candidates is much higher today than last year (26% December 2007, 29% September 2007, 21% June 2007, 25% March 2007).

“How closely are you following news about candidates for the 2008 presidential election?”

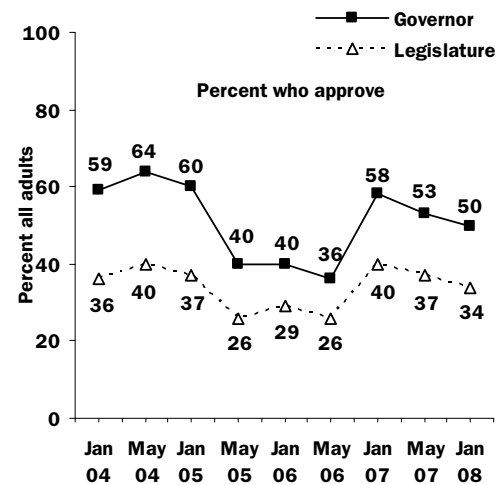
<i>Likely voters only</i>	All Likely Voters	Party		
		Dem	Rep	Ind
Very closely	44	46	45	40
Fairly closely	44	41	47	45
Not too closely	10	10	7	14
Not at all closely	2	3	1	1

STATE FISCAL ISSUES

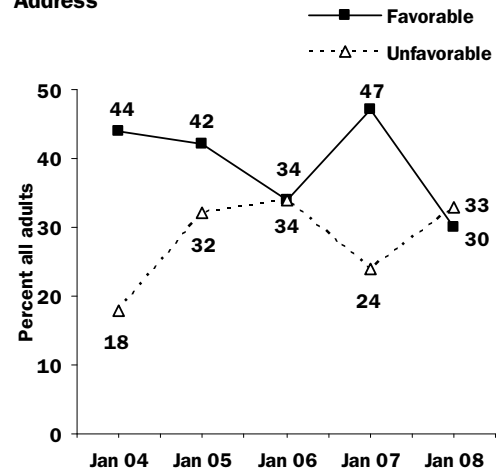
KEY FINDINGS

- The economy, education, the budget, and immigration are among the top issues that residents want the governor and legislature to work on this year. Seven in 10 expect bad economic times in the state. Approval ratings of the governor and legislature have dropped since last year. (pages 14, 15)
- Three in 10 adults have a favorable view of the governor's State of the State address, while two in three like his proposal for reforming the budget process. (page 16)
- A majority of adults are dissatisfied with the governor's budget, but half agree that tax increases should not be included. Two in three agree with his declaration of a fiscal emergency. (pages 17, 18)
- Most Californians favor the governor's plan for \$40 billion in new infrastructure bonds. They are divided on the early release of prisoners, and most oppose suspending minimum K-12 spending requirements. A plurality of residents think a mix of spending cuts and tax increases are needed to close the state budget gap. (pages 18, 19)
- K-12 education is the major state budget category residents most want to protect from spending cuts—and which they are most likely to consider paying more taxes to maintain current funding. (page 20)
- Residents support higher taxes on the wealthy, but oppose higher vehicle license fees and sales taxes. Californians think it's a good idea to limit state spending and to tax all Internet purchases, but a bad idea to extend the sales tax to services and to lease the state lottery. (pages 21, 22)
- Six in 10 residents support a plan to extend health coverage by raising fees, cigarette taxes, and government funding. (page 23)

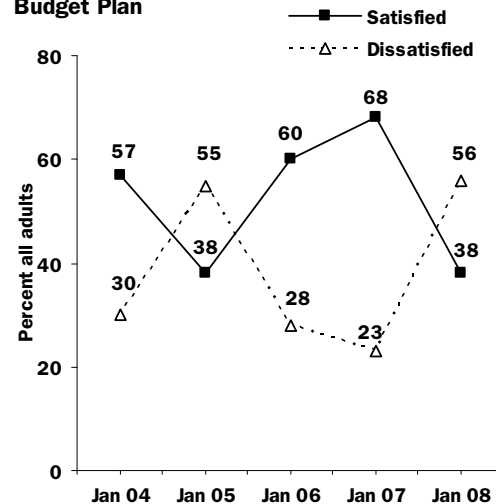
Approval Ratings of State Elected Officials



Impression of Governor's State of the State Address



Satisfaction with the Governor's Budget Plan



OVERALL MOOD

With the nation's economy slumping and the state of California facing a multi-billion dollar shortfall in revenues, residents mention the economy (19%), education (15%), state budget (15%), and immigration (14%) as the issues they would most like the governor and state legislature to work on in 2008. A year ago, immigration (22%), education (18%), and health care (13%) topped the list and fewer mentioned the economy (7%) and state budget (5%). The last time the state faced a budget deficit of today's proportions was in 2004, just after Governor Schwarzenegger took office following the recall of Governor Gray Davis. In the January 2004 survey, 31 percent said state officials should focus on the state budget, 21 percent said the economy, 15 percent education, and eight percent immigration.

Among Democrats today, the economy (21%) and education (20%) are the most important issues for the governor and legislature to work on this year. Republicans mention immigration (25%) and the state budget (24%) as most important, while independents mention the state budget (19%) and the economy (18%). Likely voters are most concerned with the state budget (21%) and the economy (19%).

"Which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2008?"

Top four issues mentioned	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Jobs, economy	19	21	16	18	19
Education, schools	15	20	7	12	14
State budget, deficit, taxes	15	15	24	19	21
Immigration, illegal immigration	14	5	25	11	14

Reflecting economic and budget concerns, vast majorities of residents (72%) and likely voters (74%) think the state will have bad times financially during the next 12 months. Pessimism about the state's economy among all adults has grown since December (65%) and has risen dramatically compared to last January (39%)—it is now at its highest point in the history of the PPIC Statewide Survey. The previous high point was in February 2003 (71%). Strong majorities of independents (78%), Democrats (75%), Republicans (67%), and residents across regional and demographic groups believe the state will face troubling economic times in the year ahead.

"Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?"

	All Adults	Region				Likely Voters
		Central Valley	San Francisco Bay Area	Los Angeles	Other Southern California	
Good times	20	17	16	22	20	18
Bad times	72	71	75	71	71	74
Don't know	8	12	9	7	9	8

Majorities of residents (54%) and likely voters (55%) also believe that things in California are generally going in the wrong direction. A negative viewpoint about the state's overall direction is shared across all parties (51% Democrats, 53% Republicans, 52% independents), and while this current attitude is similar to December (52%), it is 17 points higher than last January (37% to 54% today).

JOB PERFORMANCE RATINGS OF STATE ELECTED OFFICIALS

This survey, taken after Governor Schwarzenegger delivered his State of the State address and released his 2008-09 budget proposal, shows that 50 percent of residents and 52 percent of likely voters approve of the way he is handling his job. Overall approval of the governor's job performance is down since December (57% adults, 63% likely voters) and last January (58% adults, 61% likely voters). Today, majorities of Republicans (62%) and independents (55%) approve of the governor, while Democrats are divided (48% approve, 46% disapprove). His approval ratings are higher in the Central Valley (55%), the Other Southern California region (53%), and the San Francisco Bay Area (50%) than they are in Los Angeles (42%). A strong majority of Latinos disapprove (62%), and a strong majority of whites approve (60%). His approval is lowest among younger, less educated, and lower income residents.

Meanwhile, 34 percent of all adults and 27 percent of likely voters approve of the state legislature's overall job performance. As with the governor, approval has dropped since December (41% adults, 35% likely voters) and last January (40% adults, 37% likely voters). Today, 38 percent of Democrats say they approve of the legislature's overall job performance, compared to 31 percent of independents and 21 percent of Republicans.

When it comes to the governor's handling of the state budget and taxes, approval ratings are much lower than his overall ratings among all adults (36%) and likely voters (35%), and across parties (49% Republicans, 39% independents, 29% Democrats). Similarly, approval of the legislature's handling of the state budget and taxes is lower than its overall ratings among all adults (24%) and likely voters (19%), and across parties (16% Republicans, 21% independents, 27% Democrats).

"Overall, do you approve or disapprove of the way that..."

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
...Arnold Schwarzenegger is handling his job as governor of California?	Approve	50	48	62	55	52
	Disapprove	44	46	34	40	42
	Don't know	6	6	4	5	6
...the California Legislature is handling its job?	Approve	34	38	21	31	27
	Disapprove	53	49	66	56	61
	Don't know	13	13	13	13	12

Half of all adults (50%) and 44 percent of likely voters believe the governor and legislature will be able to work together and accomplish a lot in the next year. Although Californians are less likely to hold this view than they were last January (62%) when the governor declared an era of post-partisanship, they are more likely to express optimism than they were in January 2006 (43%). Today, about half of Democrats and independents and 42 percent of Republicans believe the two bodies of government will be able to work together in the next year.

"Do you think that Governor Schwarzenegger and the state legislature will be able to work together and accomplish a lot in the next year, or not?"

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Yes, will be able to work together	50	52	42	49	44
No, will not be able to work together	42	40	49	42	47
Don't know	8	8	9	9	9

GOVERNOR'S STATE OF THE STATE ADDRESS

On January 8th, Governor Schwarzenegger delivered his annual State of the State address, which called for reforming the budgeting process and making across-the-board spending cuts to close an impending \$14 billion budget gap. When asked about their impressions of this speech, 30 percent of residents say favorable, 33 percent say unfavorable, and 29 percent volunteered that they have not heard about it. Impressions of this year's speech are the least favorable of the five annual addresses Governor Schwarzenegger has delivered in office (44% favorable in 2004, 42% 2005, 34% 2006, 47% 2007). A plurality of Republicans (38%) express favorable reviews of this year's speech, while a plurality of Democrats do not (39%). Three in 10 independents have favorable impressions (32%), while another three in 10 haven't heard about this speech (31%). Negative opinions of this speech are higher in Los Angeles (41%) than other regions, higher among Latinos (44%) than whites (26%), and higher among less educated and lower income residents than others.

"Overall, do you have a favorable or an unfavorable impression of the plans and policies for California that Governor Schwarzenegger presented in his recent State of the State speech?"

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Favorable	30	25	38	32	32
Unfavorable	33	39	24	26	32
Haven't heard about the speech (volunteered)	29	28	31	31	28
Don't know	8	8	7	11	8

While the governor's State of the State address did not generate a highly positive response, public support is high (64% all adults, 65% likely voters) for the budget stabilization constitutional amendment he proposed as a long-term structural reform of the state's budgeting process. This fiscal reform plan would place limits on state spending, require that money be placed into a reserve fund when revenues are high, and allow the state to make budget adjustments at several points throughout the year, rather than having to wait until the next budget cycle. Governor Schwarzenegger proposed a similar plan to limit spending in 2005 (Proposition 76), which ended in defeat by voters in the 2005 special election (62% no, 38% yes). Today, majorities across parties believe the current fiscal reform proposal is a good idea, with support highest among Republicans (78%), followed by independents (69%) and Democrats (57%).

Central Valley residents (68%) are the most likely to call this plan a good idea, followed by residents in the Other Southern California region (67%), Los Angeles (62%), and the San Francisco Bay Area (61%). Although majorities across demographic groups call this plan a good idea, younger, less educated, and lower income residents are less likely than others to hold a positive view of it.

"In his speech, the governor proposed a constitutional amendment that would limit the amount of money that state spending could increase each year, would require the state to place money into reserve in years of budget surplus, and would give the state the authority to make budget adjustments throughout the year. Do you think this constitutional amendment is a good idea or a bad idea?"

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Good idea	64	57	78	69	65
Bad idea	28	34	13	26	27
Don't know	8	9	9	5	8

GOVERNOR'S BUDGET PROPOSAL

Two days following his State of the State address, Governor Schwarzenegger released his 2008-09 budget proposal, which calls for spending reductions across the board and does not include any new taxes. Most residents and likely voters (56% each) say they are dissatisfied with this plan, including majorities of Democrats (68%) and independents (56%). However, a solid majority of Republicans (58%) are satisfied with it. Of the governor's five January budget proposals since entering office, dissatisfaction with the 2008-09 budget is the highest. Only in January 2005 were residents similarly dissatisfied; in other years majorities expressed satisfaction with his budget proposals, including his proposal in 2004, a time when the state also faced a large budget deficit.

“Recently, Governor Schwarzenegger proposed a budget plan for the next fiscal year that includes spending cuts across all state agencies, including K-12 public education, higher education, health and human services, prisons and corrections, and state parks. The plan includes no new taxes. In general, are you satisfied or dissatisfied with the governor's budget plan?”

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Satisfied	38	28	58	37	38
Dissatisfied	56	68	34	56	56
Don't know/Haven't heard about the budget (vol)	6	4	8	7	6

Over seven in 10 adults (78%) and likely voters (76%) are at least somewhat concerned about the effects of spending reductions in the governor's budget proposal, with 36 percent of all adults and 41 percent of likely voters saying they are very concerned. Strong majorities in January 2004 and January 2005 also expressed concern about spending reductions in the governor's budget; however, the percentage saying they are very concerned is higher today. Half of Democrats (49%) are very concerned today, but fewer independents (31%) and Republicans (24%) say the same. San Francisco Bay Area and Los Angeles residents (39% each) are more likely to be very concerned than residents in the Central Valley (33%) and the Other Southern California region (31%). Women are more likely than men (41% to 31%) to be very concerned.

Governor Schwarzenegger does not include any tax increases in his budget proposal, opting instead for spending reductions and other fiscal measures. Half of all residents (50%) think tax increases should not be included in the budget, while 46 percent believe they should. Likely voters are more divided (48% yes, 49% no). A partisan divide emerges over this issue, with a majority of Democrats (57%) supporting tax increases and a majority of Republicans (69%) opposing them. Independents are divided (46% yes, 48% no). Support among all adults for including tax increases in the budget is slightly higher now than in January 2004 (42%) and slightly lower than in January 2005 (49%). But just last month, before the governor released his budget, only 30 percent of all adults said tax increases should be included. Support for including taxes is highest in the San Francisco Bay Area (56%) and lowest in the Other Southern California region (38%), higher among younger than older residents, and higher among the college educated than other adult residents.

“Do you think that tax increases should be included in the governor's budget plan?”

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Yes	46	57	27	46	48
No	50	39	69	48	49
Don't know	4	4	4	6	3

GOVERNOR'S BUDGET PROPOSAL (CONTINUED)

The survey also asked residents about three components included in Governor Schwarzenegger's budget proposal: issuing about \$40 billion in new state bonds for water and education facilities, high speed rail, and other infrastructure projects; releasing 22,000 nonviolent prisoners early to reduce spending on corrections; and suspending Proposition 98 minimum spending requirements for K-12 public education.

Residents (67%) and likely voters (60%) are most supportive of the governor's proposal for new infrastructure bonds. Support for this idea is high among Democrats (70%) and independents (66%), but lower among Republicans (50%). Majorities across regions and demographic groups favor this plan, although support declines with higher age and income.

The plan for the early release of about 22,000 nonviolent prisoners has mixed support (49% adults, 50% likely voters). Independents (58%) and Democrats (55%) support this plan, but Republicans (56%) are opposed. While 58 percent of San Francisco Bay Area residents favor this plan, fewer than half in the other major regions agree.

When it comes to suspending minimum spending requirements for K-12 public education, all adults (62%) and likely voters (58%) are strongly opposed. Most Democrats (67%) and independents (61%) are opposed, while Republicans are divided (45% favor, 42% oppose). Opposition declines with higher age, education, and income, and is much higher among Latinos (73%) than whites (55%).

"Do you favor or oppose the governor's plan..."

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
...for about \$40 billion in new state bonds for water and education facilities, high speed rail, and other infrastructure projects?	Favor	67	70	50	66	60
	Oppose	27	22	42	29	33
	Don't know	6	8	8	5	7
...for the early release of about 22,000 nonviolent prisoners as a way of reducing state spending on prisons and corrections?	Favor	49	55	37	58	50
	Oppose	45	40	56	37	44
	Don't know	6	5	7	5	6
...to suspend minimum spending requirements for K-12 public education?	Favor	30	22	45	31	32
	Oppose	62	67	42	61	58
	Don't know	8	11	13	8	10

The governor also declared a fiscal emergency to deal with the revenue shortfall, under authority granted by Proposition 58, passed by voters in 2004. The governor must then submit a proposal to the legislature to address the emergency, and if the legislature does not agree to a solution within 45 days, it is prohibited from acting on other bills. Majorities of all adults (64%) and likely voters (68%), and solid majorities across party groups, say it was a good idea for the governor to declare a fiscal emergency.

"Do you think it was a good idea or a bad idea for the governor to declare a fiscal emergency?"*

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Good idea	64	62	77	70	68
Bad idea	28	30	14	24	24
Don't know	8	8	9	6	8

* For complete text of question, see p. 30.

DEALING WITH THE BUDGET GAP

As California faces a \$14 billion budget deficit, how do residents perceive the state budget situation? Over nine in 10 say the budget situation is a big (64%) or somewhat of a problem (30%), and the percentage calling it a big problem has increased 19 points since last January.

To deal with the state's budget gap, about four in 10 Californians (41%) would prefer a mix of spending cuts and tax increases, while slightly fewer prefer spending cuts alone (37%). In December, a plurality of Californians preferred spending cuts (42%) and 36 percent favored a mix. Today, Democrats (52%) and independents (47%) prefer a mix of cuts and taxes, while Republicans (56%) prefer spending cuts alone.

"How would you prefer to deal with the state's budget gap?"

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Mostly through spending cuts	37	26	56	32	37
Mostly through tax increases	8	9	4	10	8
Through a mix of spending cuts and tax increases	41	52	29	47	44
Okay for the state to borrow money and run a budget deficit	7	6	4	5	4
Other	3	2	2	5	3
Don't know	4	5	5	1	4

When it comes to the tough choices involved in the state budget, most Californians prefer the approach of the Democrats in the legislature (37%), while fewer prefer Governor Schwarzenegger's approach (24%), or that of the Republicans in the legislature (18%). Since 2005, Californians have preferred the approach of the Democrats in the legislature each time we have asked this question. Today, sharp partisan differences are apparent: six in 10 Democrats prefer the approach of the Democrats in the legislature, while about seven in 10 Republicans prefer either the legislative Republicans' approach (42%) or the governor's approach (30%). Independents are the one group that slightly favors the governor (30%) over the parties in the legislature.

"When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer—Governor Schwarzenegger's, the Democrats' in the legislature, or the Republicans' in the legislature?"

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
Democrats' in the legislature	37	60	8	27	37
Governor Schwarzenegger's	24	19	30	30	23
Republicans' in the legislature	18	4	42	16	20
Other	1	1	1	2	2
None (volunteered)	5	3	5	8	5
Don't know	15	13	14	17	13

A strong majority of Californians (70%) think that state government could spend less and still provide the same level of services, and 41 percent of those holding this view say the government could cut spending by 10 to 20 percent without reducing services. However, Californians are divided on their preferred size of state government (46% prefer higher taxes, more services; 45% prefer lower taxes, fewer services).

STATE SPENDING AND TAXES

With budget cuts proposed across the board, what area of the budget do Californians most want to protect? A strong majority want to protect K-12 public education (57%), while fewer say health and human services (19%), higher education (14%), or prisons and corrections (6%). Since June 2003, K-12 public education has been mentioned as the area to protect each of the four times we have asked this question. Majorities of Democrats (60%) and Republicans (58%) and half of independents (51%) want to protect K-12 public education most. A majority of residents across all regions agree, as do majorities of women (60%), men (54%), whites (59%), and Latinos (56%).

“Some of the largest areas for state spending are: K-12 public education, higher education, health and human services, and prisons and corrections. Thinking about these four areas of state spending, I’d like you to name the one you most want to protect from spending cuts.”

	All Adults	Party			Likely Voters
		Dem	Rep	Ind	
K-12 public education	57	60	58	51	57
Health and human services	19	20	14	19	18
Higher education	14	13	11	21	14
Prisons and corrections	6	5	12	6	7
Don’t know	4	2	5	3	4

Would residents support higher taxes to maintain current funding for some of the major state spending areas? Views differ according to the budget area. Most Californians strongly support higher taxes to maintain current funding for K-12 public education (67%), a majority would do so for health and human services (56%), and half would do so for public colleges and universities (50%). Each time we have asked the two questions about K-12 education and health and human services in the past, we have found similar levels of support for raising taxes. In each of the top three spending areas, majorities of Democrats and at least half of independents are willing to pay higher taxes to maintain current funding while majorities of Republicans are opposed to raising taxes for this purpose.

“What if the state said it needed more money just to maintain current funding for _____. Would you be willing to pay higher taxes for this purpose?”

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
...K-12 public education	Yes	67	77	46	63	60
	No	31	21	52	34	38
	Don’t know	2	2	2	3	2
...health and human services	Yes	56	67	33	52	51
	No	41	29	64	44	46
	Don’t know	3	4	3	4	3
...public colleges and universities	Yes	50	56	29	51	44
	No	48	42	68	48	53
	Don’t know	2	2	3	1	3

RAISING REVENUES

What about increasing taxes and fees as a way to reduce the state's large budget gap? Most Californians favor the idea of raising the top rate of the state income tax paid by the wealthiest Californians (73%), but majorities oppose increasing the annual vehicle license fee (58%) or raising the state portion of the sales tax (64%). Similar patterns are found among likely voters.

Support for raising the state income tax paid by the wealthiest residents is higher among Democrats (83%) and independents (73%) than among Republicans (50%). Strong majorities across regions and demographic groups support raising this tax. Support is higher among Latinos (79%) than whites (70%) and drops as age and income increase. Strong majorities have expressed support for this proposal each of the five times we have asked this question (71% January 2004, 69% January 2005, 68% May 2005, 65% January 2006, 73% today).

Another potential source of revenue could come from increasing the annual vehicle license fee that Governor Schwarzenegger reduced as one of his first acts as governor in 2003. Fewer than half of Californians (41%) favor increasing the annual vehicle license fee. Support is greater among Democrats (49%), while two in three Republicans (67%) and a majority of independents (54%) are opposed. Majorities of residents in the Other Southern California region (67%), the Central Valley (62%), and Los Angeles (56%) are opposed to this increase, while 55 percent of those in the San Francisco Bay Area favor this proposal.

Californians are even more opposed to the idea of raising the state portion of the sales tax (64% opposed, 33% favor). Opposition has reached at least 60 percent each time we have asked this question. Today, Republicans (74%), independents (68%), and Democrats (56%) all oppose raising the state sales tax. Strong majorities across regional and demographic groups are opposed, with opposition highest among residents in the Other Southern California region (70%) and conservatives (71%).

"Tax and fee increases could be used to help reduce the state's large gap between spending and revenue. For each of the following, please say if you favor or oppose the proposal. How about..."

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
...raising the top rate of the state income tax paid by the wealthiest Californians?	Favor	73	83	50	73	70
	Oppose	25	14	48	25	27
	Don't know	2	3	2	2	3
...increasing the annual vehicle license fee that was reduced a few years ago?	Favor	41	49	31	45	43
	Oppose	58	49	67	54	55
	Don't know	1	2	2	1	2
...raising the state portion of the sales tax?	Favor	33	40	24	31	34
	Oppose	64	56	74	68	63
	Don't know	3	4	2	1	3

PROPOSALS FOR LONG-TERM BUDGET REFORM

A variety of fiscal proposals are aimed at making long-term structural reforms. Most Californians (67%) and likely voters (68%) think it's a good idea to strictly limit the amount that state spending could increase each year. Majorities have favored this idea each time we have asked this question (70% June 2003, 60% May 2005, 53% May 2007). However, in 2005 voters defeated Proposition 76, which would have carried out this proposal. Today, Republicans (79%), independents (72%), Democrats (58%), and majorities across regions, racial/ethnic, and demographic groups favor limiting spending increases.

Another proposal is to extend the state sales tax to services that are not currently taxed, such as legal and accounting services, auto repairs, and haircuts. Six in 10 Californians (62%) think this proposal is a bad idea. Views were similar in May 2005 (63%) and May 2007 (65%). Today, Republicans (71%), independents (61%), Democrats (57%), and majorities across regions, racial/ethnic, and demographic groups say that a state sales tax for services is a bad idea.

“Spending and tax reforms have been proposed to address the structural issues in the state budget. For each of the following, please say whether you think the proposal is a good idea or a bad idea. How about...”

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
<i>...strictly limiting the amount of money that state spending could increase each year?</i>	Good idea	67	58	79	72	68
	Bad idea	29	36	18	24	28
	Don't know	4	6	3	4	4
<i>...extending the state sales tax to services that are not currently taxed, such as legal and accounting services, auto repairs, and haircuts?</i>	Good idea	35	38	26	36	34
	Bad idea	62	57	71	61	63
	Don't know	3	5	3	3	3

With online sales becoming more prevalent, a tax on all goods sold over the Internet has been proposed as a way to raise revenue. A majority of Californians (56%) and likely voters (52%) think this is a good idea, and opinions today are similar to those in June 2003 (57% adults, 55% likely voters). Today, Democrats (60%) and independents (58%) say this proposal is a good idea, while Republicans are divided (48% good idea, 47% bad idea). At least half of residents across regional and demographic groups support the idea of taxing all goods sold online.

Recently, state elected officials have suggested leasing the California State Lottery to a private company as a way to raise revenue. How do Californians view this proposal? Only 28 percent think this is a good idea, while 58 percent say it is a bad idea. Fifty-nine percent of Democrats, 56 percent of independents, and 50 percent of Republicans say this is a bad idea. Support for leasing the lottery falls well below a majority in all regions, racial/ethnic, and demographic groups.

		All Adults	Party			Likely Voters
			Dem	Rep	Ind	
<i>...taxing all goods sold over the Internet?</i>	Good idea	56	60	48	58	52
	Bad idea	40	36	47	40	44
	Don't know	4	4	5	2	4
<i>...leasing the California State Lottery to a private company?</i>	Good idea	28	27	31	28	28
	Bad idea	58	59	50	56	54
	Don't know	14	14	19	16	18

HEALTH CARE REFORM

State government continues to address the issue of providing health care to all Californians. A recent health care proposal, which passed the state assembly and is supported by the governor, may be headed for the November 2008 ballot. This proposal would require all Californians to have health insurance, with costs shared by employers, hospitals, individuals, and government. It includes a financing plan—combining government funding, a tax on cigarettes, an employer fee, and a hospital fee—that requires voter approval. A majority of Californians (60%) and likely voters (53%) favor this proposal, but this is lower than the support we found throughout 2007 among all adults when they were asked only about requiring health insurance and not about financing plans (71% January, 71% March, 72% June, 72% September, 71% December).

Today, majorities of Democrats (71%) and independents (56%) are in favor of this health care proposal, while a majority of Republicans (55%) oppose it. Support surpasses 50 percent across California's regions and in almost every demographic group. Favor is much greater among Latinos (78%) than among whites (49%) and is higher among younger, less affluent, and less educated Californians.

“A proposition that may appear on the November 2008 ballot would ask voters about a plan requiring all Californians to have health insurance, with costs shared by employers, hospitals, individuals, and government. The plan would be financed through a tax on cigarettes, an employer fee based on annual payroll, a hospital fee, and government funding. Would you favor or oppose this plan?”

		Favor	Oppose	Don't know
All Adults		60	35	5
Likely Voters		53	41	6
Party	Democrat	71	22	7
	Republican	39	55	6
	Independent	56	37	7
Region	Central Valley	54	40	6
	San Francisco Bay Area	64	30	6
	Los Angeles	63	33	4
	Other Southern California	59	35	6
Gender	Men	58	38	4
	Women	62	32	6
Race/Ethnicity	Latino	78	19	3
	White	49	44	7
Age	18 to 34	69	29	2
	35 to 54	60	35	5
	55 and older	50	41	9
Education	High school or less	69	28	3
	Some college	53	40	7
	College grad	56	37	7
Household Income	Under \$40,000	69	27	4
	\$40,000 to \$79,999	59	35	6
	\$80,000 and over	53	41	6

REGIONAL MAP



METHODOLOGY

The PPIC Statewide Survey is directed by Mark Baldassare, president and CEO and survey director at the Public Policy Institute of California, with assistance in research and writing from Sonja Petek, project manager for this survey, and survey research associates Dean Bonner and Jennifer Paluch. This survey was conducted with funding from The James Irvine Foundation and benefited from discussions with foundation staff, grantees, and policy experts; however, the survey methods, questions, and content of this report were solely determined by Mark Baldassare.

The findings in this report are based on a telephone survey of 2,000 California adult residents interviewed from January 13 to 20, 2008. Interviewing took place on weekday nights and weekend days, using a computer-generated random sample of telephone numbers that ensured that both listed and unlisted numbers were called. All landline telephone exchanges in California were eligible. Telephone numbers in the survey sample were called up to six times to increase the likelihood of reaching eligible households. Once a household was reached, an adult respondent (age 18 or older) was randomly chosen for interviewing using the “last birthday method” to avoid biases in age and gender. Each interview took an average of 19 minutes to complete. Interviewing was conducted in English or Spanish. *Accent on Languages* translated the survey into Spanish with assistance from Renatta DeFever. Schulman, Ronca & Bucuvalas, Inc. conducted the telephone interviewing.

We used recent U.S. Census and state data to compare the demographic characteristics of the survey sample with characteristics of California’s adult population. The survey sample was closely comparable to the census and state figures. The survey data in this report were statistically weighted to account for any demographic differences.

The sampling error for the total sample of 2,000 adults is +/- 2 percent at the 95 percent confidence level. This means that 95 times out of 100, the results will be within 2 percentage points of what they would be if all adults in California were interviewed. The sampling error for subgroups is larger: For the 1,497 registered voters, it is +/- 2.5 percent; for the 1,099 likely voters, it is +/- 3 percent; for the 543 Democratic presidential primary likely voters, it is +/- 4 percent and for the 348 Republican presidential primary likely voters, it is +/- 5 percent. Sampling error is only one type of error to which surveys are subject. Results may also be affected by factors such as question wording, question order, and survey timing.

We present results for four geographic regions, accounting for approximately 90 percent of the state population. “Central Valley” includes Butte, Colusa, El Dorado, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba Counties. “San Francisco Bay Area” includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. “Los Angeles” refers to Los Angeles County, and “Other Southern California” includes Orange, Riverside, San Bernardino, and San Diego Counties. Residents from other geographic areas are included in the results reported for all adults, registered voters, and likely voters. Sample sizes for these less populated areas are not large enough to report separately. We present specific results for Latinos because they account for about 30 percent of the state’s adult population and constitute one of the fastest growing voter groups. Sample sizes for African Americans and Asian Americans are not large enough for separate analysis. We compare the opinions of registered Democrats, Republicans, and independents (those who are registered as “decline to state”). We also include the responses of “likely voters”—those who are most likely to vote in the state’s elections based on past voting, current interest, and voting intentions. We compare current PPIC Statewide Survey results to those in a national survey by CNN/Opinion Research Corporation.

QUESTIONNAIRE AND RESULTS

CALIFORNIANS AND THEIR GOVERNMENT

January 13-20, 2008

2,000 California Adult Residents:
English, Spanish

MARGIN OF ERROR +/-2% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE

1. First, which one issue facing California today do you think is the most important for the governor and state legislature to work on in 2008?

[code, don't read]

19% jobs, economy
15 education, schools
15 state budget, deficit, taxes
14 immigration, illegal immigration
8 health care, health costs
4 crime, gangs, drugs
4 environment, pollution
3 housing costs, housing availability, subprime housing crisis
2 gasoline prices, oil prices
2 traffic, transportation, infrastructure
7 other
7 don't know

2. Do you think things in California are generally going in the right direction or the wrong direction?

36% right direction
54 wrong direction
10 don't know

3. Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?

20% good times
72 bad times
8 don't know

4. Next, some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote in California?

75% yes *[ask q4a]*
25 no *[skip to q5e]*

- 4a. Are you registered as a Democrat, a Republican, another party, or as an independent?

41% Democrat *[ask q5]*
32 Republican *[skip to q5a]*
6 another party *(specify) [skip to q8]*
21 independent *[skip to q5e]*

5. Would you call yourself a strong Democrat or not a very strong Democrat?

59% strong
37 not very strong
4 don't know

[skip to question 6]

- 5a. Would you call yourself a strong Republican or not a very strong Republican?

55% strong
40 not very strong
5 don't know

[skip to question 7]

[questions 5b to 5d not asked]

- 5e. Do you think of yourself as closer to the Republican Party or Democratic Party?

23% Republican Party
 46 Democratic Party
 23 neither (*volunteered*)
 8 don't know

[delayed skip: if q4=no, skip to q9]

- 5f. California voters like yourself will be able to choose between voting in the Democratic primary, or selecting a nonpartisan ballot on February 5th. Both ballots include state proposition measures. Do you plan to vote in the Democratic presidential primary, or on the nonpartisan ballot?

39% Democratic primary [*ask q6*]
 45 nonpartisan ballot [*skip to q8*]
 4 not planning to vote [*skip to q8*]
 12 don't know [*skip to q8*]

[responses recorded for questions 6 to 16 are for likely voters only]

6. If the Democratic primary for president were being held today, and these were the candidates, who would you vote for?

[rotate names and then ask "or someone else?"]

43% Hillary Clinton
 28 Barack Obama
 11 John Edwards
 5 Dennis Kucinich
 - Mike Gravel
 1 Bill Richardson (*volunteered*)
 1 or someone else (*specify*)
 11 don't know

[skip to question 8]

7. If the Republican primary for president were being held today, and these were the candidates, who would you vote for?

[rotate names and then ask "or someone else?"]

29% John McCain
 17 Mitt Romney
 10 Rudy Giuliani
 10 Mike Huckabee
 10 Fred Thompson*
 5 Ron Paul
 2 Duncan Hunter*
 3 or someone else (*specify*)
 14 don't know

* Thompson and Hunter recently ended their presidential bids.

8. In general, would you say you are satisfied or not satisfied with your choices of candidates in the presidential primary?

64% satisfied
 31 not satisfied
 5 don't know

9. Earlier this year the governor and legislature decided to move the 2008 presidential primary from June to February. Do you think this move was a good idea or a bad idea?

57% good idea
 24 bad idea
 19 don't know

10. How important a role do you think the California primary is playing in selecting the presidential candidates for the 2008 election?

50% very important
 38 somewhat important
 8 not too important
 3 not at all important
 1 don't know

11. How closely are you following news about candidates for the 2008 presidential election?

44% very closely
44 fairly closely
10 not too closely
2 not at all closely

12. Next, Proposition 93 is called the "Limits on Legislators' Terms in Office Initiative Constitutional Amendment." It reduces permissible state legislative service to 12 years. It allows 12 years' service in one house. Current legislators can serve 12 years in current house, regardless of prior legislative service. There would be no direct fiscal effect on state or local governments. If the election were held today, would you vote yes or no on Proposition 93?

42% yes
42 no
16 don't know

The proposed "Limits on Legislators' Terms in Office Initiative Constitutional Amendment" would alter current term limits in a number of ways. For each of the following please tell me if you think this provision is a good idea or a bad idea.

[rotate questions 13 to 15]

13. How about reducing the total amount of time a person may serve in the state legislature from 14 years to 12 years?

65% good idea
25 bad idea
10 don't know

14. How about allowing a person to serve a total of 12 years either in the Assembly, the Senate, or a combination of both?

57% good idea
34 bad idea
9 don't know

15. How about providing a transition period to allow current members to serve a total of 12 consecutive years in the house in which they are currently serving, regardless of any prior service in another house?

38% good idea
50 bad idea
12 don't know

16. Legislative term limits now allow members of the state assembly to serve up to three two-year terms and members of the state senate to serve up to two four-year terms. Do you think the current term limits give state legislators too little, too much, or the right amount of time in office?

21% too little
17 too much
56 right amount
6 don't know

17. On another topic, overall, do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?

50% approve
44 disapprove
6 don't know

18. Overall, do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?

36% approve
55 disapprove
9 don't know

19. Next, overall, do you approve or disapprove of the way that the California Legislature is handling its job?

34% approve
53 disapprove
13 don't know

20. Overall, do you approve or disapprove of the way that the California Legislature is handling the issue of the state budget and taxes?

24% approve
64 disapprove
12 don't know

21. On another topic, do you think the state budget situation in California—that is, the balance between government spending and revenues—is a big problem, somewhat of a problem, or not a problem for the people of California today?

64% big problem
30 somewhat of a problem
3 not a problem
3 don't know

22. As you may know, the state government has an annual budget of around \$100 billion and currently faces a multibillion dollar gap between spending and revenues. To address this gap, the governor recently declared a fiscal emergency and submitted a proposal to the state legislature to address this emergency. If after 45 days the legislature has not passed a bill to address this emergency, it is prohibited from acting on other bills. Do you think it was a good idea or a bad idea for the governor to declare a fiscal emergency?

64% good idea
28 bad idea
8 don't know

23. How would you prefer to deal with the state's budget gap—mostly through spending cuts, mostly through tax increases, through a mix of spending cuts and tax increases, or do you think that it is okay for the state to borrow money and run a budget deficit?

37% spending cuts
8 tax increases
41 mix of spending cuts and tax increases
7 okay to borrow money and run a budget deficit
3 other (specify)
4 don't know

24. In general, do you think the state government could spend less and still provide the same level of services?

70% yes, could spend less [ask q24a]
25 no, could not spend less [skip to q25]
5 don't know [skip to q25]

24a. How much could the state government cut its spending without reducing services?

[read list]

21% under 10%
41 10% to under 20%
16 20% to under 30%
11 30% or more
11 don't know

25. And, in general, which of the following statements do you agree with more—I'd rather pay higher taxes and have a state government that provides more services, or I'd rather pay lower taxes and have a state government that provides fewer services?

46% higher taxes and more services
45 lower taxes and fewer services
9 don't know

26. When it comes to the tough choices involved in the state budget, both in deciding how much Californians should pay in taxes and how to fund state programs, whose approach do you most prefer—[rotate] [1] Governor Schwarzenegger's, [2] the Democrats' in the legislature, [or] [3] the Republicans' in the legislature?

37% Democrats' in the legislature
24 Governor Schwarzenegger's
18 Republicans' in the legislature
1 other answer (specify)
5 none (volunteered)
15 don't know

27. Changing topics, overall, do you have a favorable or an unfavorable impression of the plans and policies for California that Governor Schwarzenegger presented in his recent State of the State speech?

30% favorable
33 unfavorable
29 haven't heard about the speech (volunteered)
8 don't know

28. In his speech, the governor proposed a constitutional amendment that would limit the amount of money that state spending could increase each year, would require the state to place money into reserve in years of budget surplus, and would give the state the authority to make budget adjustments throughout the year. Do you think this constitutional amendment is a good idea or a bad idea?

64% good idea
28 bad idea
8 don't know

29. Do you think that Governor Schwarzenegger and the state legislature will be able to work together and accomplish a lot in the next year, or not?

50% yes, will be able to work together
42 no, will not be able to work together
8 don't know

30. Recently, Governor Schwarzenegger proposed a budget plan for the next fiscal year that includes spending cuts across all state agencies, including K-12 public education, higher education, health and human services, prisons and corrections, and state parks. The plan includes no new taxes. In general, are you satisfied or dissatisfied with the governor's budget plan?

38% satisfied
56 dissatisfied
1 haven't heard anything about the budget (*volunteered*)
5 don't know

31. Overall, how concerned are you about the effects of the spending reductions in the governor's budget plan?

36% very concerned
42 somewhat concerned
13 not too concerned
8 not at all concerned
1 don't know

32. Do you think that tax increases should be included in the governor's budget plan?

46% yes
50 no
4 don't know

[rotate questions 33 to 35]

33. Do you favor or oppose the governor's plan for the early release of about 22,000 nonviolent prisoners as a way of reducing state spending on prisons and corrections?

49% favor
45 oppose
6 don't know

34. Do you favor or oppose the governor's plan for about \$40 billion in new state bonds for water and education facilities, high speed rail, and other infrastructure projects?

67% favor
27 oppose
6 don't know

35. Do you favor or oppose the governor's plan to suspend minimum spending requirements for K-12 public education?

30% favor
62 oppose
8 don't know

36. Some of the largest areas for state spending are: **[rotate]** [1] K-12 public education, [2] higher education, [3] health and human services, **[and]** [4] prisons and corrections. Thinking about these four areas of state spending, I'd like you to name the one you most want to protect from spending cuts.

57% K-12 public education
19 health and human services
14 higher education
6 prisons and corrections
4 don't know

[rotate questions 37 to 39]

37. What if the state said it needed more money just to maintain current funding for K-12 public education? Would you be willing to pay higher taxes for this purpose?

67% yes
31 no
2 don't know

38. What if the state said it needed more money just to maintain current funding for public colleges and universities? Would you be willing to pay higher taxes for this purpose?

50% yes
48 no
2 don't know

39. What if the state said it needed more money just to maintain current funding for health and human services? Would you be willing to pay higher taxes for this purpose?

56% yes
41 no
3 don't know

Tax and fee increases could be used to help reduce the state's large gap between spending and revenue. For each of the following, please say if you favor or oppose the proposal.

[rotate questions 40 to 42]

40. How about raising the top rate of the state income tax paid by the wealthiest Californians?

73% favor
25 oppose
2 don't know

41. How about raising the state portion of the sales tax?

33% favor
64 oppose
3 don't know

42. How about increasing the annual vehicle license fee that was reduced a few years ago?

41% favor
58 oppose
1 don't know

Spending and tax reforms have been proposed to address the structural issues in the state budget. For each of the following, please say whether you think the proposal is a good idea or a bad idea.

[rotate questions 43 to 46]

43. How about strictly limiting the amount of money that state spending could increase each year?

67% good idea
29 bad idea
4 don't know

44. How about extending the state sales tax to services that are not currently taxed, such as legal and accounting services, auto repairs, and haircuts?

35% good idea
62 bad idea
3 don't know

45. How about taxing all goods sold over the Internet?

56% good idea
40 bad idea
4 don't know

46. How about leasing the California State Lottery to a private company?

28% good idea
58 bad idea
14 don't know

47. On another topic, a proposition that may appear on the November 2008 ballot would ask voters about a plan requiring all Californians to have health insurance, with costs shared by employers, hospitals, individuals, and government. The plan would be financed through a tax on cigarettes, an employer fee based on annual payroll, a hospital fee, and government funding. Would you favor or oppose this plan?

60% favor
35 oppose
5 don't know

48. Next, would you consider yourself to be politically:

[read list, rotate order top to bottom]

9% very liberal
21 somewhat liberal
34 middle-of-the-road
22 somewhat conservative
12 very conservative
2 don't know

49. Generally speaking, how much interest would you say you have in politics?

24% great deal
43 fair amount
28 only a little
5 none

[d1-d13: demographic questions]

PPIC STATEWIDE SURVEY ADVISORY COMMITTEE

Ruben Barrales

President and Chief Executive Officer
San Diego Regional Chamber of Commerce

Angela Blackwell

Founder and Chief Executive Officer
PolicyLink

Paul Brest

President
The William and Flora Hewlett Foundation

Mollyann Brodie

Vice President
Kaiser Family Foundation

Bruce E. Cain

Executive Director
University of California, Washington Center

James E. Canales

President
The James Irvine Foundation

Jon Cohen

Director of Polling
The Washington Post

Matthew K. Fong

Special Counsel
Sheppard, Mullin, Richter & Hampton, LLP

Russell Hancock

President and Chief Executive Officer
Joint Venture Silicon Valley Network

William Hauck

President
California Business Roundtable

Sherry Bebitch Jeffe

Senior Scholar
School of Policy, Planning, and Development
University of Southern California

Carol S. Larson

President and Chief Executive Officer
The David and Lucile Packard Foundation

Monica Lozano

Publisher and Chief Executive Officer
La Opinión

Donna Lucas

Chief Executive Officer
Lucas Public Affairs

Dan Rosenheim

News Director
KPIX-TV

Carol Stogsdill

President
Stogsdill Consulting

Cathy Taylor

Vice President and
Editorial Commentary Director
Orange County Register

Raymond L. Watson

Vice Chairman of the Board Emeritus
The Irvine Company

Carol Whiteside

President
Great Valley Center

The PPIC Statewide Survey Advisory Committee is a diverse group of experts who provide advice on survey issues. However, survey methods, questions, content, and timing are determined solely by PPIC.

PUBLIC POLICY INSTITUTE OF CALIFORNIA

BOARD OF DIRECTORS

Thomas C. Sutton, Chair

Retired Chairman and Chief Executive Officer
Pacific Life Insurance Company

Mark Baldassare

President and Chief Executive Officer
Public Policy Institute of California

Ruben Barrales

President and Chief Executive Officer
San Diego Regional Chamber of Commerce

Linda Griego

President and Chief Executive Officer
Griego Enterprises, Inc.

Edward K. Hamilton

Chairman
Hamilton, Rabinovitz & Associates, Inc.

Gary K. Hart

Former State Senator and
Secretary of Education
State of California

Walter B. Hewlett

Director
Center for Computer Assisted
Research in the Humanities

Donna Lucas

Chief Executive Officer
Lucas Public Affairs

Leon E. Panetta

Director
The Leon & Sylvia Panetta
Institute for Public Policy

Ki Suh Park

Design and Managing Partner
Gruen Associates

Constance L. Rice

Co-Director
The Advancement Project

Raymond L. Watson

Vice Chairman of the Board Emeritus
The Irvine Company

Carol Whiteside

President
Great Valley Center

Copyright © 2008 Public Policy Institute of California
All rights reserved
San Francisco, CA

Short sections of text, not to exceed three paragraphs,
may be quoted without written permission provided that
full attribution is given to the source and the above
copyright notice is included.

PUBLIC POLICY INSTITUTE OF CALIFORNIA

500 Washington Street, Suite 600
San Francisco, California 94111
phone: 415.291.4400
fax: 415.291.4401

PPIC SACRAMENTO CENTER

Senator Office Building
1121 L Street, Suite 801
Sacramento, California 95814
phone: 916.440.1120
fax: 916.440.1121

www.ppic.org
survey@ppic.org